

Bauer introduces Early Learning Trust legislation

Speaker Bauer is prepared to answer the call of Gov. Joe Kernan in committing to the education of Indiana’s young children through the Early Learning Trust proposal. To that end, Bauer has filed House Bill 1234, which will include an immediate expansion of voluntary full-day kindergarten and a continued increase in the number of pre-kindergarten programs throughout the state.

Among the significant advantages of full-day kindergarten are the ability to take traditional kindergarten objectives and teach them more completely. An entire day gives teachers the time to work with kids more directly, with activities and projects that make the lessons more substantial and hands-on for the children.

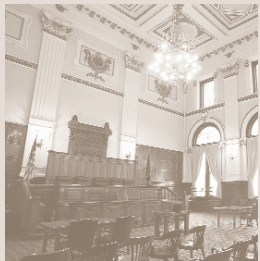
In addition, having more time with kids from day to day can allow teachers to recognize learning difficulties and disabilities more immediately, which allows for better remediation activities and instruction.

The plan for the Early Learning Trust includes:

- Expanding voluntary full-day kindergarten immediately, with plans to make it optional statewide by 2007;
- Supporting parents as a child’s first and most important teacher, ensuring they have the latest information they need, beginning before birth, to promote healthy brain development;
- Focusing on reading and family literacy by increasing parental involvement in teaching; and,
- Providing pre-kindergarten programs for all at-risk children.



2004 Session Report from Speaker Pat Bauer



INSIDE: Speaker Bauer tells the real story about the Court-Ordered Reassessment.

Get highlights on recently passed property tax legislation.

Learn more about Speaker Bauer's coordination with Governor Kernan on Indiana's Early Learning Trust legislation.



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Court-Mandated Reassessment Timeline

1993

The Town of St. John, James K. Gilday, Dimple Clarine Shelton, and William E. Wise filed a lawsuit challenging the constitutionality of Indiana's real property taxation system.

5/31/1996

The Indiana Tax Court held that Indiana's "true tax value" system of property taxation is unconstitutional and should be based solely on fair market value.

12/23/1996

The Indiana Supreme Court reversed the Tax Court's ruling that the state constitution requires a system of real property taxation based solely on fair market value and remanded the case to the Tax Court to determine if the "true tax value" taxation system used in the 1989 reassessment was uniform and equal.

12/22/1997

The Tax Court held that state law and the Department of Local Government Finance (DLGF) regulations violated the state Constitution because they did not provide a system of real property assessment and taxation based upon real world, objective measures of wealth. The Tax Court ordered DLGF to adopt and implement new regulations.

3/2/1998

The Tax Court ordered DLGF to consider all competent evidence of property wealth in appeals filed with county review boards.

12/4/1998

The Indiana Supreme Court disagreed with the Tax Court's ruling that the current state law was unconstitutional, but agreed that the existing regulations, as drafted by DLGF, were unconstitutional because they lacked meaningful reference to property wealth.

5/31/2000

The Tax Court ordered DLGF to adopt new assessment regulations. The Tax Court required that all assessments of real property utilize the constitutional requirements as of March 1, 2002.

5/23/2001

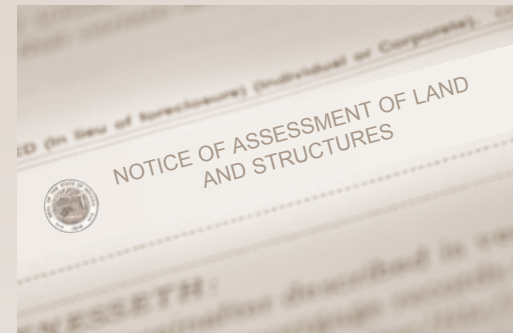
DLGF drafted new regulations as ordered by the Tax Court. New regulations were projected to increase property taxes for homeowners by an average of 33%. This increase does not reflect increases in local government spending of more than 13%.

5/14/2002

The legislature convened a Special Session to mitigate the projected property tax increases resulting from DLGF's new regulations. HB 1001(ss) provided \$800M in property tax relief, which translated to a 44% cut in residential property taxes. The relief provided an increase in the standard homestead deduction, the elimination of 60% of the School General Fund Levy and increased the homestead credit from 4% to 20%.

11/18/2003

Despite our best efforts, several counties mailed property tax bills in 2003 that escalated far beyond projections and eroded the \$800 million in property tax cuts that were included in HB 1001(ss). Portage township taxes increased 248.9%, and St. Joseph County Taxes increased 19.4%. The General Assembly started the 2004 regular session early to identify ways to mitigate the increased local property tax burden on taxpayers and passed Senate Bill 1, which I have detailed at right.



Looking ahead through the 2004 session

House Democrats are committed to additional protection measures for property owners, and we are making headway already in enacting the following measures:

HB 1005: will require financial institutions to educate homeowners about tax breaks during a financing or refinancing. This bill will also establish a commission to study property tax alternatives for local governments.

HB 1006: will increase the the elderly, blind or disabled, veteran's, rehabilitation, and residentially distressed area deductions. This bill will also freeze property taxes for individuals who are over 65 and have an income less than \$25,000.

HB 1008: will enable local units of government to provide additional property tax relief to homeowners directly.

Other measures will make the rehabilitation deduction more accessible, soften the blow for homeowners whose bills increase more than 75% as a result of a general reassessment, provide tax breaks to homeowners whose bill comprises a large percent of his or her adjusted gross income and will allow local fiscal bodies to impose various local taxes to replace property taxes.

Senate Bill 1 Highlights

Enacted December 5, 2003

- Extended the filing deadline for the homestead credit and other deductions which allowed qualified homeowners to take advantage of important tax breaks they would have had to wait another year for otherwise.
- Allowed counties to offer installment payment plans to taxpayers whose bills have increased.
- Allowed counties to waive penalties for late payments for taxpayers who owe money.
- Allowed 45 days for taxpayers to appeal bills.
- Provided safeguards to limit local government property tax increases, thus protecting taxpayers from sharp increases caused by local spending.